

# REAL ESTATE AGENCY DISCLOSURE AND ELECTION

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1. Firm Name ("Broker") \_\_\_\_\_

2. acting through \_\_\_\_\_

LICENSEE'S NAME

**DRAFT**

LICENSEE'S NAME

**DRAFT**

3. hereby makes the following disclosure.

## DISCLOSURE

4. Before a **Seller or Landlord (hereinafter referred to as "Seller")** or a **Buyer or Tenant (hereinafter referred to as "Buyer")**
5. enters into a discussion with a real estate broker or licensee affiliated with a broker, the Seller and the Buyer should
6. understand what type of agency relationship or representation they will have with the broker in the transaction.
- 7.
8. **I. Buyer's Broker:** A broker other than the Seller's broker can agree with the Buyer to act as the broker for the
9. Buyer. In these situations, the Buyer's broker is not representing the Seller, even if the Buyer's broker is receiving
10. compensation for services rendered, either in full or in part, from the Seller or through the Seller's broker:
11. a) A Buyer's broker has the fiduciary duties of loyalty, obedience, disclosure, confidentiality, and accounting in dealings with the
12. Buyer.
13. b) Other potential Buyers represented by broker may consider, make offers on, or acquire an interest in the
14. same or similar properties as Buyer is seeking.
15. **II. Seller's Broker:** A broker under a listing agreement with the Seller acts as the broker for the Seller only:
16. a) A Seller's broker has the fiduciary duties of loyalty, obedience, disclosure, confidentiality, and accounting in dealings with the
17. Seller.
18. b) Other potential Sellers represented by broker may list properties that are similar to the property that Seller is selling.
19. **III. Broker Representing both Seller and Buyer (Limited Representation):** A broker, either acting directly or through
20. one or more licensees within the same brokerage firm, can legally represent both the Seller and the Buyer in a
21. transaction, but only with the knowledge and informed consent of both the Seller and the Buyer. In these situations,
22. the Broker, acting through its licensee(s), represents both the Buyer and the Seller, with limitations of the duties owed
23. to the Buyer and the Seller:
24. a) The broker will not, without written authorization, disclose to the other party that the Seller will accept a price or terms
25. other than stated in the listing or that the Buyer will accept a price or terms other than offered.
26. b) There will be conflicts in the duties of loyalty, obedience, disclosure and confidentiality. Disclosure of confidential
27. information may be made only with written authorization.
- 28.
29. Regardless of who the Broker represents in the transaction, the Broker shall exercise reasonable skill and care in the
30. performance of the Broker's duties and shall be truthful and honest to both the Buyer and Seller and shall disclose all known
31. facts which materially and adversely affect the consideration to be paid by any party. Pursuant to A.R.S. §32-2156, Sellers,
32. Lessors and Brokers are not obligated to disclose that a property is or has been: (1) the site of a natural death, suicide,
33. homicide, or any crime classified as a felony; (2) owned or occupied by a person exposed to HIV, or diagnosed as having
- AIDS or any other disease not known to be transmitted through common occupancy of real estate; or (3) located in the vicinity
- of a sex offender. Sellers or Sellers' representatives may not treat the existence, terms, or conditions of offers as confidential
- unless there is a confidentiality agreement between the parties.

## **AGENCY DOES NOT ESTABLISH BROKER COMPENSATION AND MY ELECTION OF AGENCY BELOW DOES NOT OBLIGATE ME TO PAY BROKER COMPENSATION.**

A Seller may enter into an employment listing agreement to establish compensation from the Seller to the Seller's Broker. A Buyer may enter into an employment agreement to establish compensation from the Buyer to the Buyer's Broker. **The amount of Broker compensation chosen in any employment agreement is always negotiable and only agreed upon by the parties after discussion.** A Seller, **in their sole discretion**, may elect to publicly market the property for sale at which time their Broker will place the property in the Multiple Listing Service. Prior to placing the property in the Multiple Listing Service, Seller, **in their sole discretion**, shall decide the amount of compensation to be offered to a Buyer's Broker or a Limited Representation Broker, if applicable.

(INITIALS REQUIRED)

\_\_\_\_\_  
Buyer OR Seller

THE DUTIES OF THE BROKER IN A REAL ESTATE TRANSACTION DO NOT RELIEVE THE SELLER OR THE BUYER FROM THE RESPONSIBILITY TO PROTECT THEIR OWN INTERESTS. THE SELLER AND THE BUYER SHOULD CAREFULLY READ ALL AGREEMENTS TO INSURE THAT THE DOCUMENTS ADEQUATELY EXPRESS THEIR UNDERSTANDING OF THE TRANSACTION.

**ELECTION**

**Buyer or Tenant Election** (Complete this section only if you are the Buyer). The undersigned elects to have the Broker (check any that apply):

- represent the Buyer as Buyer’s Broker.
- represent the Seller as Seller’s Broker.
- show Buyer properties listed with Broker’s firm and Buyer agrees that Broker shall act as agent for both Buyer and Seller provided that the Seller consents to limited representation. In the event of a purchase, Buyer’s and Seller’s informed consent should be acknowledged in a separate writing other than the purchase contract.

**Seller or Landlord Election** (Complete this section only if you are the Seller). The undersigned elects to have the Broke (check any that apply):

- represent the Buyer as Buyer’s Broker
- represent the Seller as Seller’s Broker
- show Seller’s property to Buyers represented by Broker’s firm and Seller agrees that the Broker shall act as agent for both Seller and Buyer provided that Buyer consents to the limited representation. In the event of a purchase, Buyer’s and Seller’s informed consent should be acknowledge in a separate writing other than the purchase contract.

**The undersigned** Buyer’s or Seller’s acknowledge that this document is a disclosure of duties. This document is not an employment agreement.

**I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE.**

|            |              |            |
|------------|--------------|------------|
| _____      | <b>DRAFT</b> | _____      |
| PRINT NAME |              | PRINT NAME |
| _____      | <b>DRAFT</b> | _____      |
| SIGNATURE  |              | SIGNATURE  |